

West Don Lands (“WDL”)

Waterfront Toronto (“WT”) continues to pursue planning approvals for Phase 2 of WDL. Staff meet weekly with Infrastructure Ontario (“IO”), Ministry of Infrastructure (“MOI”), Ontario Realty Corporation (“ORC”) and the City of Toronto to work through the WDL Phase 2 Plan of Subdivision (“POS”) conditions. It is anticipated that the POS and associated conditions will receive Draft Approval from the Chief Planner in December, 2010 and Registration in early, 2011.

The following projects within the WDL are progressing on schedule:

- Don River Park commenced construction on August 15, 2010. Eastern Construction has received the majority of the site from ORC's forces and are focused on the installation of all site service work and installation of below-ground irrigation tank in the central lawn. The proposed park pavilion is out of the ground, with work for the month of December focusing on enclosing the structure, finishing the exterior fireplace, and erecting structural steel for the overhead canopy. Other items that have been completed include pouring of concrete for steps and placement of boulders at proposed splash pad.
- Mill Street Public Realm construction is underway and scheduled for completion in the Spring of 2011.
- Underpass Park - WT and ORC are completing an Access Agreement to allow full construction to commence in January, 2011. The tender for park construction has been awarded to UCC Group. It is anticipated that the park will be complete and open in fall 2011.
- We have received comments from the City on the pre-design submission for the Stormwater Management Facility. WT is working closely with its designers and City staff to enable construction to commence in late Spring, 2011.

Pan Am Athletes’ Village (“PAAV”)

WT has submitted the second round of design drawings for Front and Local Streets to all City departments for their review as per the established schedule. Comments are expected back by December 14, 2010. The third submission to the City will be on January 11, 2011, with final design drawings. It is important to meet this schedule in order to be able to issue these drawings with the PAAV Request for Proposals (“RFP”) as the successful developer will be building these streets according to WT’s designs.

IO and WT released an RFQ for the PAAV developer consortia on October 26, 2010. Submissions are due December 10, 2010 with an announcement of a short list in early January, 2011. The RFP will be released January 28, 2011 with proposal submissions due May 3, 2011.

East Bayfront

Although almost all of the work on Sherbourne Common North has been substantially completed it has been decided that the park will remain closed to the public until the spring, by which time the balance of the planting will be installed and the water feature tested and turned on. As well, the eastern portion of Lower Sherbourne Street has been stopped up and closed in order to complete

boulevard work on the east side of the street, as well as the final section of the park. Everything will be completed prior to officially opening the park next spring.

City and WT staff is meeting over the next week to determine whether or not to open the Sherbourne Common South skating rink this winter. There is an issue as to how to service the rink in the interim, both from a staffing and an operational perspective. There is also the fact that there will be no tenant for the pavilion this winter. A decision should be rendered shortly.

The deep sanitary sewer connection from Dockside to the Scott Street Pumping Station has been awarded and the contractor has begun the process of mobilization and preparing shop drawings. Construction will begin in January and the service will be available well in advance of the opening of George Brown College in the fall of 2012. Meanwhile, GBC Phase 1 foundation construction continues on schedule, with completion to grade projected for January, 2011. GBC, the City and WT are also in the process of wrapping up the final details on the ground lease and associated documents that will complete the transaction as approved by the Boards of WT and GBC, and by City Council.

Great Gulf Homes (“GGH”) and their architect, Moshe Safdie, will be presenting their concept design for Parkside to the East Bayfront Stakeholders Committee on December 7, 2010 and the Design Review Panel on December 8, 2010. Feedback from those meetings will be reported verbally to the Board at its meeting on December 15, 2010.

Negotiations continue with Hines to finalize the various legal agreements that are required as part of the proposed transaction. An in-camera report to the Board for the December 15th meeting has been prepared to address what are anticipated to be the final minor changes necessary to complete the transaction. Assuming Board support, Management will then work with Hines and the City to finalize those agreements for which the City is a party. It is expected that that process will be completed sometime in the spring. Notwithstanding, Management and Hines have already begun the process of revising the concept plan and preparing the necessary materials for formal subdivision submission to the City.

Central Waterfront (“CWF”)

Community Consultation

On November 17, 2010 WT hosted its second quarterly CWF Community Update Meeting. Presentations were made on the Portland Slip Waters Edge Promenade, York Quay Revitalization, and Queens Quay Boulevard design. Approximately 200 people attended the meeting. The community is very eager to see construction of Queens Quay commencing as soon as possible, and stated a strong desire to see the first segment fully funded and built now rather than phased as currently proposed in our LTFP. WT will hold a drop-in session in the New Year which will focus on site specific coordination.

Since July 2010 WT has been convening monthly, and more recently bi-weekly, meetings with a newly established Queens Quay Working Group. This group includes 23 representatives selected through an application process which took place in the spring. These sessions have been set up as interactive working sessions where design ideas are vetted and plans are reviewed prior to a full public review process. This group has contributed substantially to the detailed design for Queens Quay and the feedback has been overwhelmingly supportive.

Queens Quay Phasing

Given the funding gap in the LTFP, WT continues to explore several alternatives for phasing Queens Quay. Some considerations being considered are how to coordinate this phasing with the implementation of the TTC Track repair program, and how to minimize temporary or throw-away elements in the interim condition.

Queens Quay 30% Design Submission

WT submitted the 30% Schematic Design Submission for Queens Quay to the City, Utility Companies and TTC on November 1, 2010. Comments are due back on December 13, 2010. WT has released a small portion of the contract for the Detailed Design of Queens Quay. The full contract amount cannot be awarded yet, as the CWF Precinct Contribution Agreement ("CA") which contains funding for the remainder of design for Queens Quay is awaiting approval at the City.

TTC Track Reconstruction Program

As TTC is planning to reconstruct their track along Queens Quay from Bay Street to Lower Spadina Avenue in the next one to two years, as part of their "State of Good Repair Program", WT has been working with TTC to develop a coordination strategy. This has included determining the appropriate task distribution and cost sharing arrangements between the two overlapping projects. As a result of the close coordination required to ensure that the track alignment is consistent with the configuration of the new roadway WT will take the lead in design and constructing the public elements of the TTC works in a cost-sharing agreement with TTC.

Canada Square

The value engineering suggestions have been reviewed and those that are feasible are being implemented. The anticipated cost reduction is likely to be on the order of \$1M.

Planning and Design

Gardiner Expressway Environmental Assessment ("EA")

The EA team has been asked to suspend work until the new Mayor has been briefed on this project.

EBF Water's Edge Promenade

The promenade lights having been delivered and installed, completing the "look" of the ensemble and providing a greatly improved nighttime lighting experience compared to the temporary cobra head fixtures.

Don River Park

Construction is underway and the pavilion structure is now out of the ground, and will be substantially completed by March 2011. The Outdoor Fireplace's core structure is in place, the landforms for the marsh are complete, the Irrigation Storage Cell System, which is the collection of all stormwater in the park (stored and UV treated) for irrigation and the marsh, is in place and the site services are well underway.

Underpass Park

Park construction was tendered and awarded. The contractor is now mobilizing to begin excavation/backfill of the site, to be followed by site services and construction/installation of park elements.

Lower Don Lands

Council approval of the OPA included a directive that WT produce a business and implementation plan and bring it back in one to two years. The consultant team is working with WT to develop a work program for completing this.

Designated Waterfront Area

Union Station Second Platform

The amended CA for the Union Station Second Platform project was executed by the City and Province on October 22, 2010 and revised bids for the re-tender of the project were received by the TTC on October 20, 2010. The low bid submitted for the work is within the revised budget of \$137.5M authorized by the Board of Directors although the TTC has expressed concern that the contingency amount remaining after award is less than ideal. WT, City and Provincial Secretariat staff have reconfirmed to the TTC that WT's contribution to the project will not exceed the amount approved by the Board and any additional contingency will need to be obtained by the TTC directly. WT is awaiting confirmation from TTC staff that they have satisfied their funding concerns and have obtained Commission approval to award the contract. Work is anticipated to commence on site in early 2011.

Soil Management Facility ("SMF")

The analysis of the technological, environmental, and economic viability of the soil washing process for Designated Waterfront Area ("DWA") soils is underway and will be submitted by the two operators to WT in early 2011. Following receipt of the operators' reports WT will prepare the analysis and business case for the production scale Soil Recycling Facility. Subject to the results of the Pilot Project confirming the viability of large scale treatment, next steps will include: applying for Ministry of the Environment ("MOE") approval to operate a long term soil management facility; issuing an RFP to select a vendor to operate the long-term soil recycling facility; and completing negotiations with Toronto Port Lands Company for the utilization/acquisition of the Unwin site for this purpose.

Program Management

Health and Safety

There have been no reportable Health and Safety incidents on any WT job site since the last report.

Government Relations

Operational Governance

In October we submitted a formal request to the three orders of government seeking consent on a prioritized list of governance requirements:

- the ability to raise revenues;

- the authority to receive revenues;
- the ability to borrow;
- the ability to secure letters of credit; and
- the ability to create real estate subsidiaries.

The federal and provincial governments have indicated that Treasury Board approval is required and have targeted January/February Treasury Board dates.

Communications and Marketing

Influencer Strategy

At the invitation of Janet Ecker, President of the Toronto Financial Services Alliance, WT participated in the recent “Ontario Financial Services Day” in New York. A high profile Bay Street delegation including the Chair of Barclays Capital Canada, the Deputy Chair of TD Financial, representatives from RBC, the TMX Group, top Bay street law and related services firms and the provincial Minister of Economic Development and Trade, participated with Wall street counterparts and NY media in a day long focus on the strength of the financial services sector in Toronto. For WT, it was an opportunity to engage local and NY based influencers in a discussion of revitalization progress. Our influencer efforts were facilitated by the public recognition and endorsement of waterfront progress by Minister Papatello in her various public comments in NY.

Proactive, Strategic Media Relations

On November 4, 2010, WT issued a news release to promote winning a Canadian Urban Institute “Brownie” award in recognition of our innovative approach to soil remediation and the Port Lands Pilot Soil Recycling Facility. The release resulted in positive coverage of the Pilot Soil Recycling project and for WT.

WT’s integrated Stormwater Management System in EBF received the 2010 Living City Award for Healthy Rivers and Shorelines at the Charles Sauriol Environmental Dinner. The Living City Awards, sponsored by Toronto Region and Conversation (“TRCA”) were presented to organizations who exemplify TRCA’s vision of the Living City “where human settlement can flourish forever as part of nature’s beauty and diversity.”

In October, IO and WT issued two joint news releases; one announcing the successful design, planning and compliance team, for the section of the West Don Lands that will be home to the Pan/Para Pan Am Games Athletes’ Village and the other promoting the Request for Qualifications process for teams to design, build and finance development of the Village. Both releases generated widespread coverage in key target and trade publications.

Outreach with journalist Emmanuelle Vieira, design and architecture reporter for *Le Devoir* resulted in a full page colour article on Canada’s Sugar Beach in the November 14, 2010 weekend issue.

WT worked with Discovery Channel producer Frances MacKinnon on a segment for *CFTO News* called “Toronto 2061” which attempts to portray what the city, including the waterfront, will look like in fifty years’ time.

WT continued its outreach with European landscape architecture magazines. We provided wave-deck imagery and background to *Igloo Habitat and Architecture*, Romania’s leading architecture/design publication as well as *Urban Greenery*, Poland’s only magazine dedicated to green areas in cities. We also collaborated with our design partner West 8 on a submission to an upcoming book titled *Landscape Architecture Now* by German publisher Taschen.

Our promotion of WT's award-winning projects through our newsletter continues to result in additional media coverage. The 2010 TRCA Living City Award for the EBF Stormwater Management System was featured in several online blogs. Our December newsletter will promote the Design Exchange award for the Simcoe and Rees WaveDecks.

Build and Implement the Brand

An updated version of the corporate vision brochure, with new images of completed major projects and up-to-date project information, has been produced and 1,000 copies printed. Copies of the earlier version, printed early in 2010, were completely distributed.

In early November we unveiled an interactive kiosk with a 42" touch-screen display to promote waterfront revitalization to the public. The display is currently in the public entrance of the Canadian Tire store on Lake Shore Boulevard and Leslie Street at the edge of the Port Lands. The kiosk has received steady interest with approximately 600 users in the last month averaging 5-20 minutes per visit.

Build Thought Leadership

A more engaging corporate PowerPoint presentation has been developed. The new visuals were utilized by John Campbell at recent high profile events: an international audience at the Future City Forum in London in November and on December 1, 2010 to a group of more than 700 at the Toronto Real Estate Forum.

We created promotional materials about EBF and WDL commercial investment opportunities for an Invest Toronto international trade mission to the Middle East, Europe and Asia. The information sheets will be used by WT and our partners to attract investors, developers or corporations that may want to invest in, build on or relocate to Toronto's waterfront.

On October 27, 2010, John Campbell delivered the keynote address at a Brownfields Breakfast Summit presented by *HazMat Management* magazine and EcoLog Legislation Service. The event was well attended, with over 100 professionals from the legal, financial, development and remediation industries.

We provided a number of national and international groups and delegations with overview presentations and tours, including: the Montreal Housing and Development Corporation, a sustainability group from Austria, as well as other international delegations here as part of the Construct Canada conference.

Excellence in Stakeholder & Community Consultations and Communications

On October 14, 2010, we hosted a public meeting in WDL to provide an update on progress in the area, and to introduce our partners for the Athletes' Village. Approximately 150 people attended and participated in a lengthy question and answer session following the presentations.

On November 17, 2010, approximately 200 people attended WT's Central Waterfront Community Update Meeting. These regular updates are designed to provide information about all projects underway in the Central Waterfront giving the public a comprehensive understanding of all work underway.

Sustainability

Revised WT Green Building Requirements

The project led by Halsall is coming to a close with the new Minimum Green Building Requirements ("MGBR") and a final draft companion report to be circulated widely for final comments and input. This will include a high-level overview of the revised MGBR for WT in the next week or so. The report and new MGBR will be finalized by year end.

The New MGBR will be applied to all projects procured after January 2011 with the exception of the Pan Am Games Athlete's Village, which will incorporate the current version of the MGBR from November 2009. Future development blocks outside of the Village however, will employ the new MGBR.

Clinton Climate Initiative ("CCI") Carbon Tool for Climate Positive Development ("Carbon Tool")

The Carbon Tool has been developed by ARUP in partnership with CCI and with input from the University of Toronto ("U of T") and WT. The product is essentially complete (save and except some issues surrounding U of T's transportation inputs). The primary consultant, ARUP, will be conducting an overview of the model for WT to provide WT with a general understanding of the Carbon Tool, how it works and what value it brings before we roll it out to the development industry. This will also be informative for WT in learning how the Tool can be used to reduce the greenhouse gas emissions of a development by employing Green House Gas reduction strategies.

The use of the Carbon Tool will initially involve a specific section of the Keating Precinct in the Lower Don Lands for the purpose of working some kinks out of the model. The application of the Carbon Tool will be a requirement for the successful bidder on the Pan Am Athlete's Village. We are developing a knowledge transfer program with CCI and ARUP in order to build local capacity to use the Tool. The local capacity will involve both WT and U of T. The application of the various strategies in the Carbon Tool will help WT define future sustainable development policy and the regular review and updates for the MGBR.

As part of the WT mandate for sustainable development and our commitment to the Ontario Power Authority, we will be engaging in a communications strategy and outreach program to provide broad understanding and education on both the new MGBR and the CCI Carbon Tool. This effort will be undertaken in the spring of 2011 and additional funds to be identified prior to our CA with the OPA for the work.

As it relates to the Carbon Tool, the CCI is planning a public relations program in the summer of 2011 to announce the Climate+ Carbon Tool as part of the C40. We need to consult with both the Clinton folks and the USGBC in terms of the use of the WT Carbon Tool as part of the Pan Am Games RFP process and the timing of any presentation of the Tool by WT.

USGBC LEED (ND) Pilot

As the Board is aware, WT was successful in achieving Gold Certification under the pilot program for LEED (ND) Neighborhood Design through the USGBC. The pilot project submission included all of the WDL and the EBF and portions of the LDL. Staff is continuing to work with both the USGBC and the CaGBC to determine the status of the final LEED (ND) system development for both Countries as it may relate to WT projects. The LEED (ND) process will be referenced with continued certification requirements built into the RFP process for the PAAV.